

FISCAL NOTE

SB 2207 - HB 2409

February 25, 2004

SUMMARY OF BILL: Requires the director of each local education agency serving non-Title I schools placed on probation to provide notification to parents of students belonging only to the student subgroup or subgroups not meeting the standards for adequate yearly progress of their option to transfer their children to another public school within the system. Current law requires such notice to all parents in such non-Title I schools, without regard to whether their children are in subgroups that are making adequate yearly progress.

The federal *No Child Left Behind* law currently requires schools receiving Title I funds to offer public school choice if they are in one of these improvement categories (referred to as “Corrective Action” and “Restructuring” in federal law.). These school choice provisions apply to all students attending these schools, not just students in low-performing subgroups. This bill will not impact Title I schools.

ESTIMATED FISCAL IMPACT:

Local Govt. Expenditures – Cost Avoidance - Exceeds \$100,000 - Over Time
Decrease Local Govt. Expenditures – Less than \$100,000


Estimate assumes:

- Since Title I schools must offer public school choice if they are in one of the improvement categories, it is assumed that the provisions of this bill would only apply to schools on probation or in corrective action that do not receive federal Title I funds.
- In school year 2003-04, there are 61 schools in seven school districts on probation for the first or second year. Forty-four (44) of the 61 high priority schools, are in the Memphis City School System and 42 of these schools are Title I schools and must meet federal requirements for school choice. The remaining schools will soon become Title I schools and will also have to meet these requirements. In addition, Memphis City Schools provide some system wide school choice provisions, even to those students in schools that do not receive Title I funds. Therefore, the effect of this bill on schools that are Title I and must meet school choice requirements in the Memphis City School System is estimated to be not significant.

- For information purposes, in Metropolitan Nashville Public Schools, two of the system's three high priority schools are non-Title I schools. (Metro Nashville estimated that offering choice to students at Title I high priority schools cost approximately \$1400 per student in transportation and other costs in 2003-04.) Offering and funding the choice provision for fewer students in non Title I schools in Metro Nashville or other such schools across the state would, therefore, result in an avoidance of cost. If fewer students were offered the opportunity to transfer from these schools, it is estimated that local government expenditures could be avoided. However, all students who would have been eligible for a transfer would not have take advantage of the option to transfer.
- Presently, school districts are not required to fund transportation for school choice in non-Title I schools; however, LEAs must offer the choice to transfer. It then becomes discretionary whether the LEAs fund transportation for these students to attend a different school. Therefore, any cost avoidance in local expenditures for transportation costs would be permissive at the local level.
- Fewer notifications to parents would result in a decrease in local government expenditures of less than \$100,000 while the opportunity for fewer students to transfer from these schools is estimated to result in a cost avoidance for local governments exceeding \$100,000 over time.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director